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Attorneys for Plaintiff

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FCS ADVISORS, INC. d/b/a BREVET CAPITAL
ADVISORS,

Plaintiff,

-against-

FAIR FINANCE COMPANY, INC.,

Defendant.

Docket No.: 07 CV 6456

**PLAINTIFF'S REPLY TO
COUNTERCLAIMS**

Plaintiff FCS Advisors, Inc. d/b/a Brevet Capital Advisors (“Brevet”), by its attorneys Barton Barton & Plotkin LLP, as and for its reply to the counterclaim of defendant Fair Finance Company, Inc. (“FairFin”) (the “Counterclaim”), alleges as follows:

FACTS UNDERLYING FAIRFIN'S COUNTERCLAIM

1. Brevet admits the allegations contained in paragraph 1 of the Counterclaims.
2. Brevet admits the allegations contained in paragraph 2 of the Counterclaims.
3. Brevet admits the allegations contained in paragraph 3 of the Counterclaims.
4. Brevet admits that FairFin notified Brevet that it had an outstanding offer from Summit Consumer Fund, L.P. (“Summit”) to purchase certain receivables and denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 4 of the Counterclaim.

5. Brevet admits that FairFin granted Brevet a right of first refusal, refers to the Letter for a full recitation of its terms and denies the remaining allegations contained in paragraph 5 of the Counterclaim.

6. Brevet denies the allegations contained in paragraph 6 of the Counterclaim.

7. Brevet denies the allegations contained in paragraph 7 of the Counterclaim.

8. Brevet denies the allegations contained in paragraph 8 of the Counterclaim.

9. Brevet denies the allegations contained in paragraph 9 of the Counterclaim.

10. Brevet denies the allegations contained in paragraph 10 of the Counterclaim.

FIRST COUNTERCLAIM

11. Brevet repeats and realleges its responses to each and every allegation contained in paragraphs 1 through 10 of the Counterclaim as if set forth fully at length herein.

12. Brevet avers that the allegations contained in paragraph 12 of the Counterclaim call for a legal conclusion to which no response is required. To the extent that paragraph 12 calls for a response, Brevet denies the allegations contained in paragraph 12 of the Counterclaim.

13. Brevet admits that FairFin made certain payments as called for in the Letter, refers to the Letter for a full recitation of its terms, and denies the remaining allegations contained in paragraph 13 of the Counterclaim.

14. Brevet refers to the Letter for a full recitation of its terms, and denies the remaining allegations contained in paragraph 14 of the Counterclaim.

15. Brevet denies the allegations contained in paragraph 15 of the Counterclaim.

16. Brevet denies the allegations contained in paragraph 16 of the Counterclaim.

17. Brevet denies the allegations contained in paragraph 17 of the Counterclaim.

18. Brevet denies the allegations contained in paragraph 18 of the Counterclaim.

19. Brevet admits the allegations contained in paragraph 19 of the Counterclaim.
20. Brevet denies the allegations contained in paragraph 20 of the Counterclaim.
21. Brevet denies the allegations contained in paragraph 21 of the Counterclaim.
22. Brevet denies the allegations contained in paragraph 22 of the Counterclaim.

FIRST AFFIRMATIVE DEFENSE

FairFin's Counterclaim is barred by the doctrines of waiver and estoppel.

SECOND AFFIRMATIVE DEFENSE

FairFin's Counterclaim is precluded by its own negligent acts or omissions.

THIRD AFFIRMATIVE DEFENSE

FairFin failed to fulfill a condition precedent necessary to its claimed recovery from Brevet.

FOURTH AFFIRMATIVE DEFENSE

FairFin has failed to mitigate its damages.

FIFTH AFFIRMATIVE DEFENSE

FairFin's Counterclaim is offset by amounts owed by FairFin to Brevet.

SIXTH AFFIRMATIVE DEFENSE

FairFin's Counterclaim fails to state a cause of action.

SEVENTH AFFIRMATIVE DEFENSE

FairFin's Counterclaim is barred by the doctrine of unclean hands.

WHEREFORE, plaintiff Brevet prays for judgment as follows:

- a. Dismissing Defendant's counterclaim in its entirety, and
- b. Granting such other and further relief as the Court deems just and proper.

Dated: New York, New York
September 26, 2007

BARTON BARTON & PLOTKIN LLP

By: /s/ Roger E. Barton

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